



General Assembly

January Session, 2011

Committee Bill No. 736

LCO No. 2702

02702SB00736LAB

Referred to Committee on Labor and Public Employees

Introduced by:
(LAB)

**AN ACT CONCERNING A SURETY BOND GUARANTEE PROGRAM
FOR EMERGING CONTRACTORS.**

Be it enacted by the Senate and House of Representatives in General Assembly convened:

1 Section 1. (NEW) (*Effective October 1, 2011*) (a) As used in this
2 section:

3 (1) "Emerging contractor" means a contractor who (A) has not been
4 prequalified pursuant to section 4a-100 of the general statutes, and (B) is
5 unable to (i) obtain bonding required under section 49-41 of the general
6 statutes, as amended by this act, to bid on a contract or perform work
7 pursuant to a contract for the construction, reconstruction, alteration,
8 remodeling, repair or demolition of any public building or any other
9 public work by the state or a municipality, except a public highway or
10 bridge project or any other construction project administered by the
11 Department of Transportation, or (ii) perform work under such a
12 contract as a substantial subcontractor;

13 (2) "Contract" means an agreement for work for the state or a
14 municipality that is estimated to cost more than five hundred
15 thousand dollars and is funded, in whole or in part, by state funds;

16 and

17 (3) "Substantial subcontractor" means a person who performs work
 18 with a value in excess of five hundred thousand dollars for a
 19 contractor pursuant to a contract for work for the state or a
 20 municipality which is estimated to cost more than five hundred
 21 thousand dollars.

22 (b) The Commissioner of Administrative Services shall establish a
 23 Surety Bond Guarantee Program for emerging contractors.
 24 Participation in the program shall satisfy the bond requirements
 25 pursuant to subsection (a) of section 49-41 of the general statutes. An
 26 emerging contractor shall only be eligible for the Surety Bond
 27 Guarantee Program for a period not exceeding five years from the date
 28 of the emerging contractor's initial application for the program.

29 Sec. 2. Section 49-41 of the general statutes is amended by adding
 30 subsection (g) as follows (*Effective October 1, 2011*):

31 (NEW) (g) An emerging contractor participating in the Surety Bond
 32 Guarantee Program established pursuant to section 1 of this act shall
 33 not be required to comply with the provisions of this section.

This act shall take effect as follows and shall amend the following sections:		
Section 1	<i>October 1, 2011</i>	New section
Sec. 2	<i>October 1, 2011</i>	49-41

Statement of Purpose:

To require the Commissioner of Administrative Services to establish a surety bond guarantee program to allow certain contractors to bid on public contracts despite not meeting the surety bond requirements for such contracts.

[Proposed deletions are enclosed in brackets. Proposed additions are indicated by underline, except that when the entire text of a bill or resolution or a section of a bill or resolution is new, it is not underlined.]

Co-Sponsors: SEN. COLEMAN, 2nd Dist.

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